

Report on Non-General Fund Information

for Submittal to the 2006 Legislature

Department: Human Resources Development Date: 11/14/2005
Prepared by: J. Kaneshiro
Phone: 587-1150

Name of Fund: Workers' Compensation Claim Payments
Legal Authority: Act 345, SLH 1986
Fund Type (MOF): U
Approp. Acct. No. S-302-P

Intended Purpose:

A collection vehicle for the assessed payroll fringe which are used for statutory workers' compensation benefits for certain federally funded employees.

Current Program Activities:

Revenues: Payroll Assessment – The U fund receives its revenues via State payroll checks, inter-departmental journal voucher transfers, and departmental checks. The assessment rate is negotiated by the Department of Budget & Finance.

Expenditures: Cover the State's liability for workers' compensation benefits paid pursuant to Chapter 386, HRS, and its administrative rules and regulations.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance		
Beginning Encumbrances		
Revenues	98,838.47	
Expenditures	98,838.47	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	-0-	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Department: Human Resources Development Date: 11/14/2005
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Name of Fund: U/I Claims Payments - Former State Employees
Legal Authority: Act 328, SLH 1997
Fund Type (MOF): U
Approp. Acct. No. S-304-P

Intended Purpose:

Effective July 1, 1997, pursuant to Act 328, Section 133, SLH 1997 the Department of Human Resources Development (HRD), as the State's employer representative assumed the responsibility of the fiscal management of the benefits for all State agencies

Current Program Activities:

For State government employees, UI benefits are financed through three (3) sources of funds:

- State General Fund appropriation – for those former employees in State General Fund programs
- Fringe Benefit Assessment – for those former employees in Federal or Special fund programs that were assessed fringe benefits through the State's payroll system
- Non Assessed accounts – those programs which must reimburse the State for actual amount of UI benefits paid for its former employees.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance		
Beginning Encumbrances		
Revenues	322,622.62	
Expenditures	322,622.62	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	-0-	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund:	<u>Human Resources Development Special Fund</u>
Legal Authority:	<u></u>
Fund Type (MOF):	<u>B</u>
Approp. Acct. No.	<u>S-310-P</u>

Intended Purpose:

Act 123, SLH 2001 appropriated \$600,000 to finance employees' in-service training programs and entrepreneurial initiatives of the Department

Current Program Activities:
See attached

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	185,143.71	265,509.70
Beginning Encumbrances		
Revenues	369,422.85	
Expenditures	139,056.86	
Transfers (List Each Transfer by JV# and Date)		
JM 2828, 12/17/04	150,000.00	
Net Total Transfers	150,000.00	
Amount Derived from Bond Proceeds		
Ending Cash Balance	265,509.70	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow Accounts, or Other Investments as of 7/1/05		

IN-SERVICE TRAINING PROGRAMS

The intended purpose of the Special Fund establishment was to have a mechanism for administrative costs to support and facilitate the entrepreneurial initiatives, training activities and programs.

The fund supports employee training and development programs conducted and coordinated for state employees by HRD. The emphasis is on management and supervisory development programs. The largest program supported by the fund is the Hawaii Leadership Academy (HLA). The HLA was conceived as an integral part of the civil service modernization effort to provide managers with responsive, performance-centered, development support needed to succeed in meeting the new challenges ahead. Another program currently being supported by the fund is the Supervisory Leadership Development Program. Some of these programs will be conducted on the neighbor islands as well as on Oahu.

The Special funds are currently being used to conduct the Hawaii Leadership Academy (HLA) training of State managers in line with civil service modernization. The success of the Hawaii State Government in reaching its goals and providing for the needs of our citizens depends in large measure on the quality of its leadership. Progressive leaders who are forward looking and possess the skills and knowledge necessary to manage their programs effectively and efficiently will be the vehicle for enabling the state government to carry out its mandate to improve the quality of life for the people of Hawaii. The purpose of the Hawaii Leadership Academy is to ensure that the state government managers acquire the ability reach the goals of today and meet the new challenges of tomorrow. Through a carefully planned curriculum of training courses, managers will learn the competencies needed to successfully lead their units in carrying out their mission. The Hawaii Leadership Academy is a key component of the state government's civil service reform effort.

Registration fees collected from these programs are deposited into the fund and these monies are then used to conduct additional and develop new programs for which needs exist. The fund is used to pay for training programs in management, supervision, safety, and a variety of interpersonal and organizational skills.

The monies in this fund also allow the flexibility needed to respond to unexpected training needs and to conduct programs of timely importance to employees.

ENTREPRENEURIAL INITIATIVES

The Special Fund is used not only for "In-Service Training" but also for "Entrepreneurial Efforts" of the Department. The Entrepreneurial Efforts will allow us to enhance the departmental operations by bringing in extra funding. The following is a listing of the Entrepreneurial Efforts being pursued by HRD:

To fund unbudgeted expenses relating to the following:

- Governor's Awards Ceremony & Reception
- Provide Premium Conversion Plan administration services to HHSC & OHA, including the following: (1) coordinate Open Enrollment Period activities, (2) train/update staff regarding amendments to federal law; (3) fielding calls from employees and the EUTF; (4) provide interpretations to Section 125 Internal Revenue Code and Administrative Rules provisions, (5) respond to employee appeals; and (6) file annual reports required by the IRS
- Administer the Island Flex flexible spending plan for JUD employees (coordinate Open enrollment activities and field questions from employees
- Contract with the County of Hawaii and Housing & Community Development Corporation of Hawaii (HCDCH) to support the claims management services. The activities include investigating, managing and authorizing payment for benefits pursuant to Chapter 386 and Administrative Rules & Regulations, provide representation at administrative hearings, prepare quarterly reports, and to provide fiscal reports on a regular and as needed basis.